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Dunhill Staffing Systems, Inc. Business Opportunities

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Welcome

to the world of Dunhill® Staffing Systems.

In the pages of this booklet you'll find many of the answers to your questions about franchising, about the advantages of joining Dunhill Staffing Systems, and about what it takes to become a successful franchise partner. Over the past 50 years, we've built one of the industry's premier staffing firms by attracting high caliber individuals to our organization. Explore the opportunity.

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**Discipline.
Dedication.
Performance.**

These are the qualities
Dunhill Staffing Systems brings to clients.
These same qualities determine the success
of a Dunhill franchise partner.

Franchising: Is it right for you?

Operating a franchise is one way to realize your dream of owning your own business, but it's not easy: you'll be the hardest boss you've ever had, you'll work long hours, you'll need stamina, courage and an ability to make sacrifices.

The risks are high and there are no guarantees—but, as every successful entrepreneur will tell you, the rewards can be tremendous. Statistics show that 95% of franchised businesses are still operating after five years. On your own, the chances of failure are more than 2 out of 3 within the first two years of business according to a recent U.S. Department of Commerce study.

Choosing to go into your own business by operating a franchise can be the most financially rewarding and personally satisfying decision you'll ever make. It will also be the toughest.

Your choice of a franchise is critical.

You want to invest in a business with a future. In the last 5 years at Dunhill we have on average, a system wide revenue growth of 20% annually and have doubled the revenues of the Dunhill organization. Today, the staffing industry is one of the fastest growing service industries in the U.S. The changing demands of the workplace—the effect of the Internet, “right-sizing,” and a global economy—offer tremendous growth potential—today and well into the future.

You want an organization that has a track record. You'll rely on your franchise partner to have the experience, the knowledge and proven methods to guide and support you, not just at start-up, but throughout the relationship. We've got almost 50 years of experience and a network of 150 offices nationwide to assist you.

You want a business you can be proud of—after all, it's your name on the door, so select a franchise with a respected reputation.

You want Dunhill Staffing Systems.

Where success meets success.

Starting this business relationship is a serious decision for you and for us. We take the time to make sure that we're right for each other. You have expectations, so do we, that's why we conduct a thorough evaluation and answer all your questions before welcoming you as a member of the Dunhill family. Once we agree to commit to each other we'll dedicate the full resources of our organization to helping you succeed.

We arm you with a professional search system that works. In the "search" business, it's the quality, not quantity of candidates that counts. Our methods consistently yield a 4:1 interview to placement ratio compared to the industry average of 8:1. Using our proven placement process means you'll be able to provide superior value to clients and candidates. By consistently delivering qualified candidates, you'll build your credentials and reputation as a valuable business partner to your clients.

You'll need business and communications skills—along with a history of professional success—and a real desire to succeed. With those ingredients, we know that together we'll create our next successful franchise office.

At Dunhill, we know all about the art of matching people to opportunity—we should, we've made a science of doing it since 1952. It's what we call aligning the right chemistry and the right fit.

Start right.

Don't know much about the staffing industry? You will. We've been launching successful staffing franchises for a long time. We're proud of our industry reputation for quality and the recognition we've received for our proven systems and support services. We've honed our methods to give you the tools and techniques you'll need to get up and running. We know you need expert help, especially if you're new to the industry (and most of our new franchisees are!) that's why we provide intensive "nuts and bolts" training at our corporate facility and then ongoing hands-on support in your office.

Find your fit.

The staffing industry traditionally has two primary ways to provide the people that every business needs: finding and placing employees in direct hire positions or filling temporary positions and contract assignments. While historically different firms handled those two sides of the business, today many client companies chose to work with a single staffing company that can meet all their employment needs.

Whether it's "temp-to-hire," the method frequently used to fill clerical positions, or solving a company's need for high level professionals to fill

long-term assignments—you'll learn to handle it all.

At Dunhill, we'll help you select the staffing niche that fits you and your business strategy and income goals. You'll choose which avenue of staffing is right for you: Professional Search Services or Staffing Systems ("temporary" placement) Services or both. As your business grows, you'll identify additional opportunities to expand your offerings to match the employment needs of your local marketplace.

Through it all, we'll be there. With advice, guidance, and counsel—every step of the way.

Your opportunity.

Dunhill offers distinct, yet interrelated, franchise opportunities within the staffing industry. These are:

- **Dunhill Professional Search:** ("permanent" or "direct hire" placement). Permanent or "Contract" placement of middle to senior level management, technical, professional, sales and marketing staff, as well as executives for businesses of all sizes but with a focus on the "Corporate" community.
- **Dunhill Staffing Systems:** (commercial "temporary" and "contract" placement). Placement of administrative and support staff, as well as light industrial staff on a temporary or "temporary-to-permanent" placement basis to businesses of all sizes.

Each of these business opportunities is a distinct franchise offering and each differs somewhat in the method of start-up, training and operation. No matter which you choose, you'll get the services and support you need.

Your Support System.

- **Proven placement systems:** Providing businesses with the highest caliber of candidates available in the market is the heart of our business. We integrate our methods with a foundation of industry experience and leadership.
- **Dunhill Exchange program:** Through Dunhill, you become part of a cooperative network of offices, giving you access to national and international candidates for challenging assignments. We encourage and support active cooperation between our offices. Today, almost 25% of our placements are a direct result of the exchange network.

- **Training:** We deliver high quality, high impact training to our owners and their staff through individual and group classroom instruction, on-site field training, local area and regional sessions, and interactive Web-based instruction. Programs are designed for every level of staff and cover everything that you will need to start, maintain and grow your business.
- **Field support:** You'll have a personal Franchise Development Manager to mentor you and assist your staff. Our Franchise Development Managers bring successful "real world" experience to the task of setting up and organizing your office. Your Franchise Development Manager will continue to work with you (and your office) on an ongoing basis.
- **Technology:** You'll receive our "state-of-the-art" proprietary software package, which you'll use for external placement processes and the administration of your office. You'll communicate with clients, candidates and other Dunhill offices through our own Internet and Intranet presence.
- **Financial and administrative resources:** We'll help you with administrative systems; provide all placement payroll and client billing; we'll manage the payroll for your temporary candidates, assume "employer-of-record" status, and provide temporary employee benefits, reporting and compliance services.
- **Marketing services:** Our national advertising, marketing communications and public relations programs are available to promote your office and position you in your market.
- **Leadership:** Within the Dunhill organization, we have a wealth of staffing industry expertise. Our owners can tap into this knowledge base and actively participate in our network through the "Franchise Advisory Counsel," a leadership group of franchisees elected by the offices in our organization. Innovative programs like our "Dunhill Strategy Groups" allow owners to share experiences and strategies for growth.

THE DUNHILL ADVANTAGE.

Getting started on the right foot is critical to your subsequent success. That's why we offer personalized support from the beginning. Our consultation services will assist you with:

- Selecting a suitable office location
- Designing and layout of your new office
- Furnishings and equipment recommendations
- Appropriate telephone systems and initial office telephone wiring
- Initial computer hardware and operating system software; selection of your Internet service provider (ISP)
- Installation of your Dunhill provided computer software package, including our database and business management software.
- Development of your office Internet site; links to the Dunhill Corporate website
- For temporary staffing franchises: all of the administrative systems and support for your office
- For permanent placement franchises: Help you select the "desk specialty" (area of business) that you and your Consultants will work.

As you begin your new career, we'll train you in the fundamentals of our business.

New Franchise Training (NFT) classes take place at our World Headquarters. Here's where you'll learn the nuts and bolts of the staffing industry as well as the skills of managing an office. You'll benefit from our comprehensive curriculum and personalized attention.

You'll learn how to:

- generate client assignments and build client relationships
- conduct sales presentations
- recruit placement candidates
- interview and prepare candidates for the placement process
- complete a placement assignment
- develop market niche and expertise
- build a client network
- manage client relationships
- You'll learn the skills necessary to identify, attract and retain both your consultant and support staff.
- Additionally, all administrative and operating aspects are thoroughly covered through this training process.

- A comprehensive staff training program for use in your new office
- A copy of our current Operating Manual for use in your office
- Access to all Dunhill advertising, marketing and public relations programs
- A 90-day supply of all forms and printed materials needed for your new Dunhill Professional Search office
- Yearly assistance in the development and implementation of your annual business plan
- Ongoing assistance with placement, business and operating issues as your business develops
- Access to updated marketing communications and advertising materials.

That's just the beginning of our commitment to you. Ongoing field support from your personal Franchise Development Manager and Dunhill Corporate staff are yours, on site at your location. Here's where you'll get:

- Ongoing field support from your Franchise Development Manager throughout the year
- Additional owner training to complement the New Franchisee Training (NFT) class you will have completed
- Assistance in identifying, hiring and training of your initial staff through our R.A.T.I.F.Y. program; advanced consultant and staff training programs
- Access to worldclass training through our "Dunhill University" (intranet-based) program; access to Internet-based training through our exclusive partnership with Learn2.com
- Access to training provided at Corporate Headquarters or at area, regional and national events and meetings
- Unlimited advice, guidance and counsel from Dunhill Corporate

What it takes.

Your decision to become a Dunhill Staffing Systems owner is a significant emotional and financial commitment for you. The following is an overview of the financial resources you'll need to achieve success.

In considering an investment in a Dunhill franchise, you will need to look at 3 primary areas of expense:

1. Franchise fee:

- Dunhill Professional Search (permanent placement) \$55,000.
- Dunhill Staffing Systems (temporary/contract) \$17,000.

Our franchisees will generally start with either a Professional Search or a Staffing Systems office, never both at once, even though they may acquire the rights to both when they purchase their franchise. Focusing on a single business helps you, the new owner, move quickly to profitability.

The primary source of revenue to the franchisor, Dunhill Staffing Systems, Inc. is royalty. In consideration for the ongoing services that we provide, the Dunhill Professional Search (permanent placement) franchisee pays a royalty of 7% of revenue, plus an additional 1% of revenue, which is dedicated exclusively to the support of our national advertising program. Dunhill Staffing Systems (Commercial "temporary" and "contract" placement) franchisees pay a royalty based on a portion of the revenues they generate from each placement. This is based on a formula that decreases as your office revenues increase. We collect a national advertising program royalty from these placements, as well.

2. Initial office expenses:

This is a projection regarding the range of estimated cost to open your office:

Expense Item	Low End Cost:	High End Cost:
Furniture and Equipment	\$5,000.	\$15,000.
Security Deposits (real estate, phone, utilities)	\$2,000.	\$5,000.
Office Supplies	\$200.	\$500.
State License Fees (if applicable)	\$-0-	\$500.
Business Insurance	\$1,500.	\$2,500.
Travel and Housing costs (for franchise training)	\$1,500.	\$3,500.
Legal, Accounting and related expense	\$1,000.	\$2,000.
	\$11,200.	\$30,000.

Your expenses may vary from the estimates above based on a number of factors—where you open your office, the general cost of doing business

in your area ("cost-of-living" issues, taxes, insurance, etc.), when you add staff and a variety of other issues that can impact your costs. Our job is to work with you to design a workable business plan that will reflect your specific business start-up costs.

2. Working Capital:

Our approach to franchising is an intensely personal one. As part of this process, we will try to identify the appropriate start-up process for your Dunhill franchise based on your business, financial, and personal lifestyle goals. We recommend that you have a minimum of 3 months of working capital available to you as you start the business. It is prudent to have a reserve of another 3 months of working capital as well.

Typical monthly fixed office expenses may look like this:

Expense Item:	Permanent Placement Estimated Cost:	Temporary Placement Estimated Cost:
Rent and utilities	\$ 850.	\$2,500.
Administrative assistant	\$1,000. (part-time)	\$2,100.
Office expenses	\$ 75.	\$ 150.
Advertising	\$ 200.	\$1,000.
Telephone service(s)	\$1,200.	\$2,400.
Furniture & equipment (lease payment)	\$ 100.	\$ 450.
Technology services, support, and related expenses	\$ 100.	\$ 500.
	\$3,525.	\$8,650.

Please keep in mind that the expenses shown are guidelines based on our recent business experience. They do not include your personal living expenses or money you may need to pay debt service on a business lease or business loan you may have chosen to finance your new franchise.

Additional expenses could include payroll expense for your consultants if you are staffing with employees immediately upon opening your office, along with related employee and benefit expense. As a rule, the Dunhill Staffing (temporary and contract) placement franchise will have a higher level of fixed expense than the Dunhill Search (permanent placement) franchise. Your office location can also have a large impact on your fixed expense structure.

Using these numbers as a hypothetical example of opening an office, you can see where your franchise fee, initial office expenses and monthly fixed office expenses for the first 6 months in business would be approximately \$87,350.

4. Profitability:

Currently, franchise regulations preclude franchise companies from making profit projections for prospective franchisees. However, as part of your exploration of the Dunhill franchise opportunity you'll have a chance to speak with Dunhill franchise owners throughout our system. In many cases, they will be happy to share with you the financial rewards that have come to them through the ownership of a Dunhill franchise.

Profit in our business is generally determined by the owner's ability to perform several "key" tasks in managing their businesses:

- Creating revenue through generating placements (sales)
- Effectively managing staff productivity
- Effectively managing business operations
- Controlling their operating expense

Based on their success in handling these core business skills, some franchise owners enjoy moderate financial success, other owners achieve six-figure incomes, and the remaining owners fall somewhere in between. We can talk about various levels of success and, of course, we have had owners that fail. We can't promise success--no franchise can do that—but we do commit to providing a world-class methodology, proven business processes, and meaningful training and support services. We'll give you every opportunity to create a business that you will be proud to own.

The Dunhill family.

The men and women who form the Dunhill family come from every walk of life, ethnic background and age group. What unifies us all is a dedication to quality and excellence. To the unique individuals who join us, the Dunhill Mission Statement and Core Values shown below are more than words on a page—they are principles we live by.

We want franchise partners who feel the same.

Our Mission Statement.

We, the members of the Dunhill family of Companies, are dedicated to providing quality professional search and staffing services. We pledge to meet the needs and exceed the expectations of our internal and external customers through the process of continuous improvement.

Our "Statement of Core Values."

CUSTOMERS: We relentlessly strive for total customer satisfaction.
ETHICS: We practice the highest level of business ethics and integrity.
TEAMWORK: We depend strongly upon teamwork, while encouraging individual achievement.
EMPLOYEES: We pledge personal respect, fair compensation and equal treatment for all employees.
COMMUNITY: We pledge conscientious and constructive citizenship to the communities where we operate.

You have our Promise.

The Dunhill name means quality in the search and staffing business. We build and maintain brand awareness through public relations and advertising programs and supply you with powerful marketing and sales collateral—brochures, letters, web site support, promotional items—that will help you quickly establish your credentials in your marketplace.

We look for franchise partners who are eager to meet our high standards and professional reputation. If you have the dedication and discipline, we'll give you the tools, methods and training you'll need to achieve the highest levels of performance.

*Call us. Explore becoming a part of the Dunhill family.
Your success depends on it.*

Robert Siddham, Vice President, Business Development

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